HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Manitoba Highlights*

Canada Mortgage and Housing Corporation

Release Date: Fall 2007

Figure 1

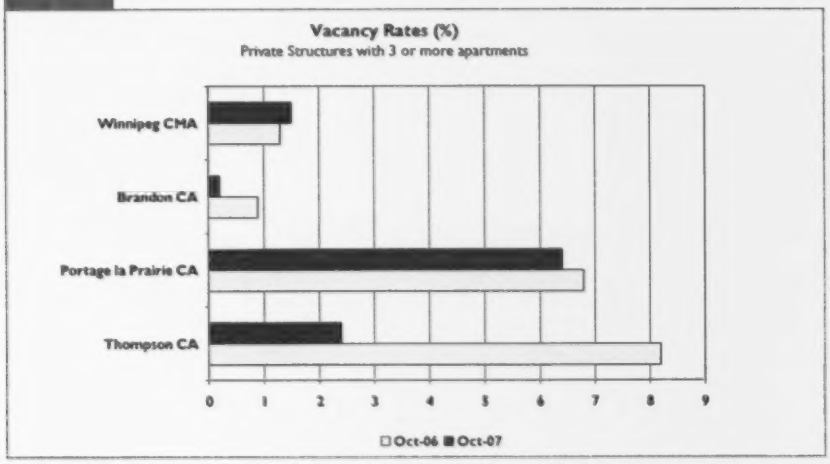
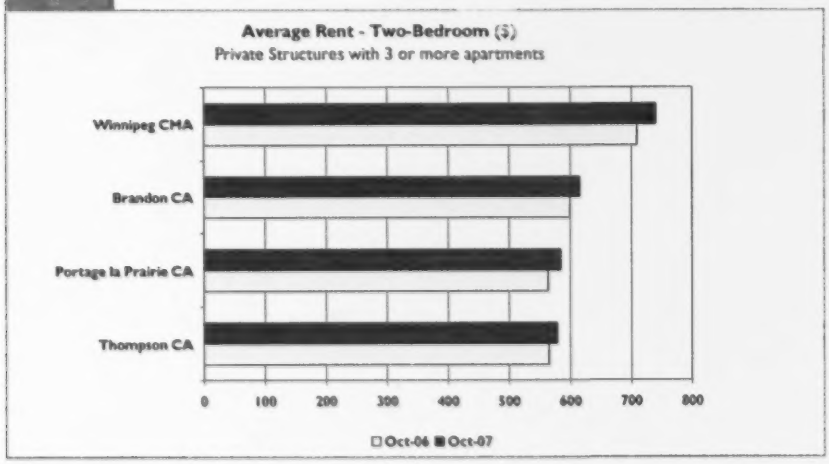


Figure 2



*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

Highlights

- The average vacancy rate in the Winnipeg CMA was 1.5 per cent in October 2007.
- Same-sample rents in Winnipeg increased 4.4 per cent over October 2006.
- The City of Brandon saw its vacancy rate approach zero to 0.2 per cent.
- Portage la Prairie saw its vacancy rate drop from 6.8 to 6.4 per cent, the highest in the province.
- The largest reduction among the vacancy rates surveyed was in Thompson which saw a drop from 8.2 per cent to 2.4 per cent.

Canada

CMHC SCHL

HOME TO CANADIANS

The vacancy rate for privately initiated rental apartments in Manitoba centres with a population of more than 10,000 fell to 1.5 per cent in Canada Mortgage and Housing Corporation's annual fall Rental Market Survey. This was marginally below the 1.6 per cent vacancy rate that was recorded in October of 2006 for these centres.

After recording a 1.3 per cent vacancy rate in 2006, Winnipeg saw a small move upwards when 1.5 per cent of surveyed units were vacant in October 2007. This represents the sixth year in the last seven that the vacancy rate has come in at, or below, 1.5 per cent. The increase comes in the face of a continued decline in the rental universe. The October 2007 survey counted 52,430 units in the Winnipeg area, down from 52,895 in 2006, the thirteenth time in fifteen years that the number of rental units surveyed has declined.

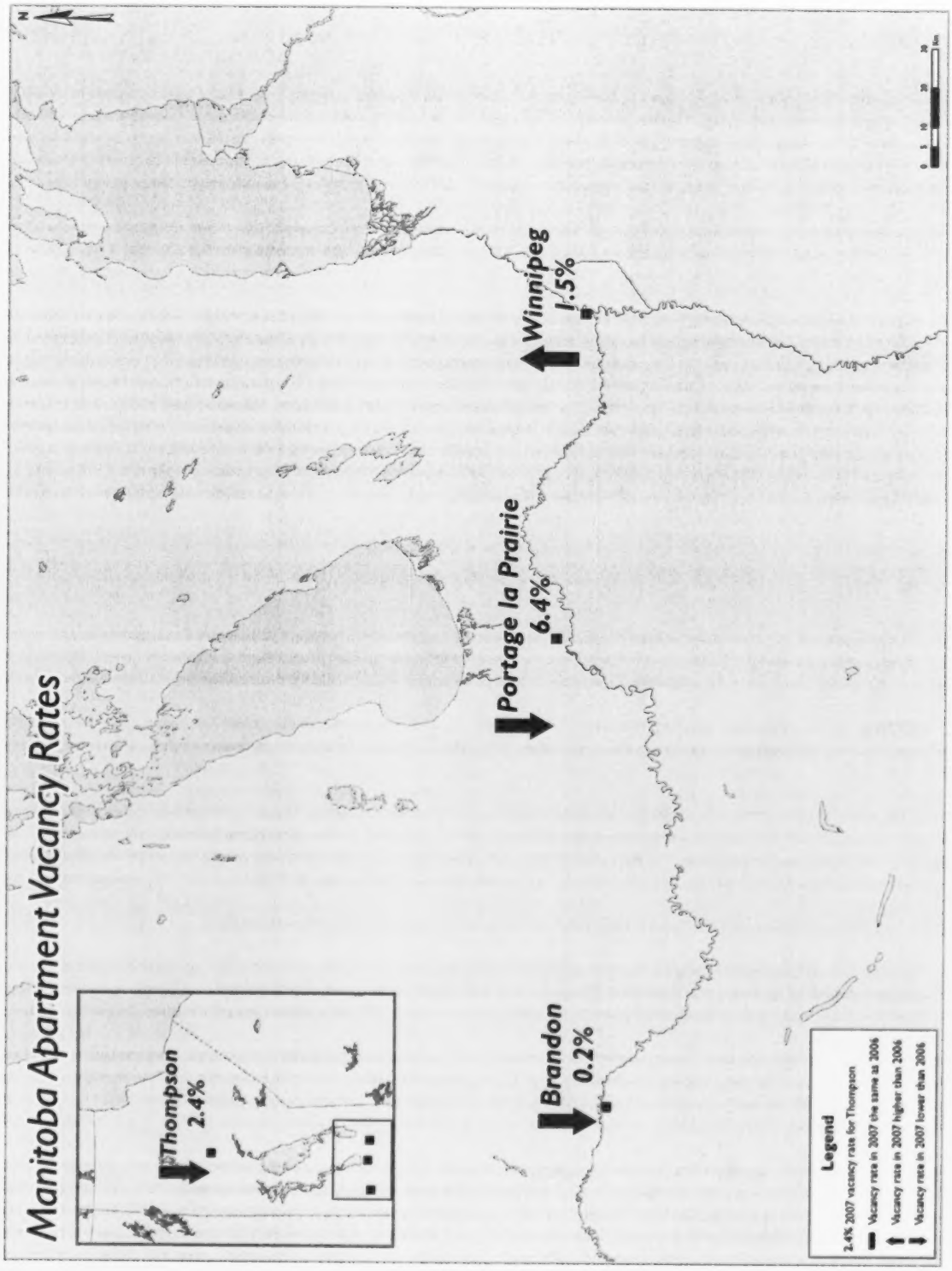
Despite the up-tick in vacancy rates, Winnipeg had the largest percentage change in same-sample rents, a 4.4 per cent increase over October 2006, more than a full percentage point ahead of Portage la Prairie. CMHC's measure estimating the growth in rents for a fixed sample of structures is strictly based on structures that are common to the survey sample for both the 2006 and 2007 surveys. The measure aims at better understanding rent changes in existing structures by excluding from the calculation the rents of newly-built apartment buildings.

The survey also measures the availability rate. It includes apartments that are vacant as well as those where notice has been given, or received, by the tenant, but a new lease has not been signed. The availability rate declined to 1.8 per cent in the fall of 2007.

The City of Brandon recorded the lowest vacancy rate among the centres surveyed at 0.2 per cent. This was down from the already tight figure of 0.9 per cent recorded in the fall of 2006. While 19 rental units were added to the rental universe in Brandon over the past year, this was not enough to offset the demand created by the strong growth in the economy and the corresponding job creation. Despite what amounts to a full-occupancy situation in Brandon, the increase in average same-sample rents was the second lowest in the province at 2.7 per cent, next to Thompson, which recorded a 2.2 per cent increase.

Thompson saw the most dramatic drop in its vacancy rate, moving from 8.2 per cent in October 2006 to 2.4 per cent this year. Much of the reduction can be associated with soaring nickel prices that have provided a boost for the local economy over the past year, as well as remediation of certain buildings to attract tenants. Average two bedroom rents in Thompson were $547 at the time of the survey, up from $536 in the fall of 2006.

The vacancy rate in Portage la Prairie also dropped slightly, but was the highest among all centers surveyed at 6.4 percent, down from the 6.8 per cent recorded in October of 2006. Average rents in the city moved from $501 in 2006 to $521 in October 2007. Care should be taken in the interpretation of results for Portage, as the rental universe is substantially smaller than all other provincial centres and small changes in the absolute number of units or renters can have substantial impact of the outcome of the survey. For example, 40 units were found vacant this year, compared with 43 in 2006. Therefore, a loss of three units caused a decline of 0.4 percentage points in the vacancy rate.


Manitoba Apartment Vacancy Rates
Thompson
2.4%
Winnipeg
1.5%
Portage la Prairie
6.4%
Brandon
0.2%
Legend
2.4% 2007 vacancy rate for Thompson
Vacancy rate in 2007 the same as 2006
Vacancy rate in 2007 higher than 2006
Vacancy rate in 2007 lower than 2006

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07
Winnipeg CMA	2.2 a	1.8 a	1.4 a	1.4 a	1.1 a	1.5 a	0.7 a	1.6 a	1.3 a	1.5 a
Brandon CA	0.0 b	0.0 b	1.4 a	0.1 a	0.6 a	0.2 a	0.0 b	1.7 a	0.9 a	0.2 a
Portage la Prairie CA	11.8 a	**	8.7 a	6.3 b	4.8 a	5.6 c	4.8 a	23.9 a	6.8 a	6.4 b
Thompson CA	13.3 a	8.8 a	17.3 a	4.8 a	1.1 a	0.1 a	0.0 a	0.0 a	8.2 a	2.4 a
Manitoba 10,000+	**2.4 a**	**1.9 a**	**1.8 a**	**1.5 a**	**1.1 a**	**1.4 a**	**0.8 a**	**1.9 a**	**1.6 a**	**1.5 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07
Winnipeg CMA	420 a	451 a	557 a	578 a	709 a	740 a	839 a	874 a	608 a	638 a
Brandon CA	374 a	379 b	475 a	488 a	600 a	615 a	703 a	710 a	553 a	571 a
Portage la Prairie CA	305 a	310 b	446 a	465 a	564 a	584 a	536 a	564 a	501 a	521 a
Thompson CA	438 a	446 a	502 a	510 a	566 a	579 a	648 a	661 a	536 a	547 a
Manitoba 10,000+	**418 a**	**449 a**	**552 a**	**572 a**	**692 a**	**721 a**	**823 a**	**855 a**	**602 a**	**631 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2007 by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Winnipeg CMA	70 a	3,826	382 a	26,967	305 a	20,475	18 a	1,163	775 a	52,430
Brandon CA	0 b	96	1 a	984	3 a	1,863	1 a	60	5 a	3,003
Portage la Prairie CA	**	27	17 b	267	17 c	313	5 a	21	40 b	628
Thompson CA	5 a	57	32 a	662	1 a	865	0 a	27	38 a	1,611
Manitoba 10,000+	**76 a**	**4,005**	**432 a**	**28,880**	**327 a**	**23,515**	**24 a**	**1,271**	**859 a**	**57,672**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07
Winnipeg CMA	2.9 a	2.3 a	2.0 a	1.8 a	1.8 a	1.8 a	1.3 a	1.6 a	2.0 a	1.8 a
Brandon CA	1.1 a	0.0 b	2.5 a	0.2 a	1.6 a	0.6 a	0.0 b	1.7 a	1.9 a	0.5 a
Portage la Prairie CA	17.6 a	**	9.1 a	6.3 b	6.1 a	5.6 c	9.5 a	29.1 a	8.1 a	6.6 b
Thompson CA	13.3 a	8.8 a	17.3 a	4.8 a	1.1 a	0.1 a	0.0 a	0.0 a	8.2 a	2.4 a
Manitoba 10,000+	**3.1 a**	**2.4 a**	**2.4 a**	**1.8 a**	**1.8 a**	**1.7 a**	**1.4 a**	**2.1 a**	**2.2 a**	**1.8 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent* by Bedroom Type
Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07
Winnipeg CMA	3.6 b	4.6 b	3.0 a	4.2 a	3.4 a	4.0 a	3.2 b	5.3 d	2.9 a	4.4 a
Brandon CA	**	1.9 c	1.8 a	2.4 c	1.8 c	2.9 b	**	**	1.7 b	2.7 a
Portage la Prairie CA	++	**	1.3 a	3.3 a	1.3 a	2.1 a	**	**	1.2 a	3.1 a
Thompson CA	1.4 a	1.3 a	1.8 a	2.3 a	2.1 a	1.9 a	2.9 a	3.4 a	1.9 a	2.2 a
Manitoba 10,000+	**3.4 b**	**4.4 b**	**2.9 a**	**4.0 a**	**3.3 a**	**3.9 a**	**3.2 b**	**5.2 c**	**2.8 a**	**4.2 a**

*The Estimate of Percentage Change is a measure of the market movement, and is based on those structures that were common to the survey for both years.

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in 2006 vs. $550 in 2007 represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the 2006 and 2007 Fall Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. In October 2006, CMHC introduced a new measure for the change in rent that is calculated based on existing structures only. This estimate is based on structures that were common to the survey sample the previous year and the current year of the Rental Market Survey. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in the Rental Market Report – Canada Highlights , Provincial Highlights, and the local Rental Market Reports. The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September and October to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e.. one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September and October, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability. In 2007, rented condominium apartments were surveyed in the following CMAs: Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montréal and Québec. Other secondary rental market units were surveyed in Abbotsford, Barrie, Calgary, Edmonton, Halifax, Montreal, Ottawa, Quebec, St. John's, Kelowna, Toronto and Vancouver.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2006 data presented in this publication is based on Statistics Canada's 2001 Census area definitions. October 2007 data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

Rental Affordability Indicator

Canada Mortgage and Housing Corporation has developed a new rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. The level of income required for a household to rent a median priced two-bedroom apartment, using 30 per cent of its income, is calculated. The three-year moving average of median income of households in a centre is then divided by this required income. The resulting number is then multiplied by 100 to form the indicator. A value above 100 indicates that less than 30 per cent of the median income is required to rent a two-bedroom apartment, conversely, a value below 100 indicates that more than 30 per cent of the median income is required to rent the same unit. In general, as the indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

Median renter household income estimates used in the calculation of the rental affordability indicator are based on results of Statistics Canada's Survey of Labour and Income Dynamics. Results for this survey are available from 1994 to 2005. CMHC has developed forecasts of median renter household incomes for 2006 and 2007.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.
Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is now available for free on CMHC's website. You can now view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of MAC publications, call 1 800 668-2642.

©2007 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

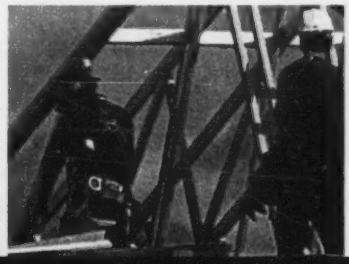
Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please contact: the Canadian Housing Information Centre (CHIC) at mailto:chic@cmhc.gc.ca; (613) 748-2367 or 1 800 668-2642.

For permission, please provide CHIC with the following information:
Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.



NEW MARKET ANALYSIS REPORTS

Subscribe Now!

December 2007

- Enhanced coverage of the secondary rental market
  - Rental Market Reports – Major Centres — Subscribe

June 2007

- Spring Rental Market Survey Results
  - Rental Market Report – Canada and Provincial Highlights — Subscribe
  - Rental Market Statistics — Subscribe
- Renovation and Home Purchase Report — Subscribe

May 2007

- Housing Market Outlook – Canada and Regional Highlights Reports — Subscribe
- Northern Housing Outlook Report — Subscribe

Throughout 2007

- Coverage of additional centres: — More

- Abbotsford
- Kingston
- Peterborough
- Barrie
- Guelph
- Brantford

Find out More!

CMHC has enhanced its suite of surveys and analytical reports to better serve you. Visit www.cmhc.ca/housingmarketinformation regularly to find out more about our product updates and to subscribe to our FREE electronic reports.

64491_2007_B02